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OF COUNSEL
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RECORDATION NO. 24134-K **FILED**

DEC 21 '07 -2 3 0 PM

SURFACE TRANSPORTATION BOARD

December 21, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Termination of Head Lease (Combi 1), dated as of December 21, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Amended Memorandum of Head Lease previously filed with the Board under Recordation Number 24134-G.

The names and addresses of the parties to the enclosed document are:

Head Lessee: North America Rail Leasing #2 LLC
(d/b/a Babcock & Brown Rail Leasing)
885 Second Avenue, 49th Floor
New York, NY 10017

Head Lessor: Lloyds TSB Equipment Leasing (No. 5) Limited
c/o Lloyds TSB Bank plc
10 Gresham Street
London EC2V 7AE, UK

Mr. Vernon A. Williams
December 21, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

1073 railcars: AOK 14105 – AOK 14170, FLCX 200300 – FLCX 200429, IBT 18400 – IBT 18849 (excluding 18605 and 18628), PSTX 5001 – PSTX 5030, PSTX 8001 – PSTX 8250 (excluding 8039) and WE 2600 – WE 2649.

A short summary of the document to appear in the index is:

Termination of Head Lease (Combi 1).

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

DEC 21 '07

-2 3 0 PM

EXECUTION COPY

SURFACE TRANSPORTATION BOARD

TERMINATION OF HEAD LEASE (COMBI I)

THIS TERMINATION OF HEAD LEASE (COMBI I) ("Cancellation") dated December 21, 2007 between **LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED** (the "Head Lessor"), and **NORTH AMERICA RAIL LEASING #2 LLC (d/b/a Babcock & Brown Rail Leasing)** (the "Head Lessee" and together with the Head Lessor, the "Parties") Capitalized terms used in this Cancellation and not otherwise defined herein shall have the meanings (by cross-reference or otherwise) in the Head Lease (as defined below).

WHEREAS, the Head Lessor and the Head Lessee are parties to that certain Master Railcar Head Lease Agreement (COMBI I) dated as of December 19, 2003, as amended and restated as of December 17, 2004, as supplemented by Supplement No. 1 to Master Railcar Head Lease Agreement (COMBI I) dated as of December 19, 2003, Supplement No. 2 to Master Railcar Head Lease Agreement (COMBI I) dated as of December 19, 2003, Supplement No. 4 to Master Railcar Head Lease Agreement (COMBI I) dated as of May 20, 2004, Supplement No. 11 to Master Railcar Head Lease Agreement (COMBI I) dated as of December 17, 2004 and Supplement No. 12 to Master Railcar Head Lease Agreement (COMBI I) dated as of May 11, 2005 (as amended, modified and supplemented from time to time, the "Head Lease"), covering the equipment listed on Exhibit I hereto (the "Units");

WHEREAS, the Head Lessee and Head Lessor are also parties to: (i) that certain Amended Memorandum of Head Lease, dated as of December 19, 2003, copies of which were duly filed with the Surface Transportation Board (the "STB") on December 19, 2003 at 3:01 p.m. under Recordation Number 24134-G, and with the Registrar General of Canada (the "RGC") on December 19, 2003, (ii) that certain Amended Memorandum of Head Lease, dated as of December 19, 2003, copies of which were duly filed with the STB on December 19, 2003 at 3:06 p.m. under Recordation Number 24550-G, and with the RGC on December 19, 2003, (iii) that certain Memorandum of Head Lease, dated as of May 20, 2004, copies of which were duly filed with the STB on May 20, 2004 at 3:39 p.m. under Recordation Number 24454-G, and with the RGC on May 20, 2004, (iv) that certain Memorandum of Head Lease, dated as of December 17, 2004, copies of which were duly filed with the STB on December 17, 2004 at 3:56 p.m. under Recordation Number 25360-B, and with the RGC on December 17, 2004 and (v) that certain Memorandum of Head Lease, dated as of May 11, 2005, copies of which were duly filed with the STB on May 11, 2005 at 4:12 p.m. under Recordation Number 25578, and with the RGC on May 11, 2005 (collectively, the "Memoranda of Head Lease"); and

WHEREAS, the Parties now desire to cancel the Memoranda of Head Lease and the respective interests of the Parties therein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. The Memoranda of Head Lease and the respective interests of the Parties therein, as specified in Exhibit I hereto, have been cancelled effective as of the date this Cancellation is filed with the STB and the RGC (the "Effective Date"), and the Parties hereby agree that no

[Termination of Head Lease (COMBI I)]

rights, duties or liabilities under the Head Lease in relation to the respective interests therein of the Parties, including but not limited to the leasehold interest of the Head Lessee in the Units described in the Memoranda of Head Lease, as specified in Exhibit I hereto, shall survive such cancellation, except with respect to acts, events, or omissions under the Head Lease occurring on or prior to the Effective Date and indemnities with respect to such acts, events or omissions.

2. The Parties agree to file this Cancellation with the STB and the RGC so as to release any interest as described in the Memoranda of Head Lease created by or arising out of the Head Lease with respect to the Units.

3. This Cancellation may be executed in any number of counterparts, each executed counterpart constituting an original but all together constituting only one and the same agreement.

4. This Cancellation shall be governed by and construed in accordance with the laws of the State of New York and is being delivered in the State of New York.

* * *

[Termination of Head Lease (COMBI I)]

IN WITNESS WHEREOF, the Parties have each caused this Termination of Head Lease (COMBI I) to be duly executed and delivered as of the date first above written.

**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: 
Name: Larry Littlefield
Title: Vice President

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED, as Head Lessor**

By: _____
Name:
Title:

[Termination of Head Lease (COMBI I)]

STATE OF New York)
COUNTY OF New York)

On the 6th day of December in the year 2007 before me personally came Larry Littlefield to me known, who, being by me duly sworn, did depose and say that he/she/they is/are the Vice President ([president or other officer or director or attorney in fact] duly appointed) of NORTH AMERICA RAIL LEASING #2 LLC (d/b/a Babcock & Brown Rail Leasing), the entity described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the board of directors of said corporation.

Clementina Capasso
Notary Public

[Notarial Seal]

CLEMENTINA CAPASSO
NOTARY PUBLIC, STATE OF NEW YORK
No. 01CA6120806
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES DEC. 27, 2008

[Termination of Head Lease (COMBI I)]

IN WITNESS WHEREOF, the Parties have each caused this Termination of Head Lease (COMBI I) to be duly executed and delivered as of the date first above written.

**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: _____
Name:
Title:

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED, as Head Lessor**

By: Richard Barker
Name: RICHARD BARKER
Title: SOLICITOR

[Termination of Head Lease (COMBI I)]

STATE OF New York)
COUNTY OF New York)

On the 11th day of December in the year 2007 before me personally came Richard Baker to me known, who, being by me duly sworn, did depose and say that he/she/they is (are) the attorney ([president or other officer or director or attorney in fact] duly appointed) of LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED, the entity described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the board of directors of said corporation.


Notary Public

[Notarial Seal]

NANCY J. NEUBAUER
Notary Public, State of New York
No. 01NE5041602
Qualified in New York County
Commission Expires April 10, 2011

[Termination of Head Lease (COMBI I)]

**Exhibit I to
Termination of Head Lease (COMBI I)**

**UNITS AND LEASES
(COMBI I - INTOL V)
(RE: AMENDED MEMORANDUM OF HEAD LEASE,
DATED AS OF DECEMBER 19, 2003)**

SEE ATTACHED

EXHIBIT A

Equipment

<u>No. of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
100	Aluminum Coal Hopper (K341)	FLCX 200200- 200299, inclusive
130	Aluminum Coal Hopper (K341)	FLCX 200300- 200429, inclusive
448	50' Plate F Boxcar (A406)	IBT 18400-18604, 18606-18627, 18629-18849, inclusive
279	Aluminum Coal Gons (J311)	PSTX 5001-5030, 8001-8038, 8040- 8250, inclusive
50	52' Gondola (E534 & E542)	WE 2600-2649, inclusive
66	50' Plate F Boxcar (A406)	AOK 14105-14170, inclusive

[Termination of Head Lease (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL II)
(RE: AMENDED MEMORANDUM OF HEAD LEASE,
DATED AS OF DECEMBER 19, 2003)**

SEE ATTACHED

EXHIBIT A

UNITS

<u>Quantity</u>	<u>Equipment Description</u>	<u>Reporting Marks and Numbers</u>
50	73' 0" 110-ton Centerbeam Car Plate C 286,000 lb Gross Rail Load	AOK 21530-21579, inclusive
385	60' 9" Plate F Boxcar, 286,000 lb Gross Rail Load with 15" End of Car Cushioning, Double 8' 0" x 12' 4" Plug Doors	UP 354615-354999, inclusive

[Termination of Head Lease (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL IV)
(RE: MEMORANDUM OF HEAD LEASE,
DATED AS OF MAY 20, 2004)**

SEE ATTACHED

[Memorandum of Mortgage (Title Mortgage) (BBRL IV)]

EXHIBIT A

Equipment

BC Rail Partnership	150	Boxcars	AOK 120000-120149, inclusive
The Burlington Northern and Santa Fe Railway Company	200	Centerbeam Flatcars	2003 built: BNSF 562675-562678, inclusive; BNSF 562680. 2004 built: BNSF 562679; BNSF 562681-562874, inclusive
Consumers Energy Company	451	Aluminum Coal Gondolas	PSTX 1001-1451, inclusive

[Termination of Head Lease (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL 11)
(RE: MEMORANDUM OF HEAD LEASE,
DATED AS OF DECEMBER 17, 2004)**

SEE ATTACHED

[Memorandum of Mortgage (Title Mortgage) (Supp 11)]

EXHIBIT A

UNITS

<u>Lessee</u>	<u>No. of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Soo Line Railroad Company	25	Centerbeams	SOO 600100-600124, inclusive	None
RailTex, Inc.	198	Centerbeams	AOK 29150-29206, AOK 29208-29294 and AOK 29296-29349, inclusive	AOK 29207
Wisconsin Electric Power Company	150	Coal Gondolas	WRPX 2875-3024, inclusive	None

[Termination of Head Lease (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL 12)
(RE: MEMORANDUM OF HEAD LEASE,
DATED AS OF MAY 11, 2005)**

SEE ATTACHED

EXHIBIT A

UNITS

<u>Lessee</u>	<u>No of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Exelon Generation Company LLC	240	Coal Hoppers	COMX 9001-9245, inclusive	COMX 9062, 9108, 9199, 9209 and 9222
Union Pacific Railroad Company #1	104	Sugar Cars	CMO 10010, 10017, 10069, 10072, 10075, 10101, 10108, 10109, 10119, 10171, 10174, 10175, 10178, and 10199- 10289, inclusive.	None
Union Pacific Railroad Company #2	13	Coal Hoppers	CHTT 503554-503566, inclusive.	None
Union Pacific Railroad Company #3	73	Coal Gondolas	CHTT 503481-503553, inclusive.	None
BC Rail Partnership	150	Centerbeams	AOK 29000-29149, inclusive	None

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 12/21/07



Robert W. Alvord